



**Testimony of Agriculture Commissioner Doug Goehring
American Rescue Plan Act Funds
Interim Senate Appropriations Committee
Roughrider Room, State Capitol
Bismarck North Dakota
October 12, 2021**

Chairman Holmberg and members of the Interim Senate Appropriations Committee, I am Agriculture Commissioner Doug Goehring. I appreciate the time to detail to you several Agriculture Department funding proposals and explain how these funds requested – for bioscience grants, information technology upgrades, veterinary clinics and auction markets, meat processor grants, and dairy improvement grants – will be well utilized if they are subsequently authorized and appropriated.

As you are aware, North Dakota agriculture is the leading industry in North Dakota. Since its inception in 1889 to the present, North Dakota remains an agricultural state. North Dakota agriculture contributes well over 30 billion dollars in economic activity annually to our legendary state. North Dakota agriculture extends well beyond crops and livestock. Agritourism, agribusiness and food processing, farm & ranch equipment manufacturing and dealerships, innovative technology, local food & farmers markets, and agricultural education all contribute to our state's thriving industry. Agriculture is everything from seeds and fertilizers to the very food, feed, fiber, and fuel we all use each and every day. North Dakota remains solidly rooted in agriculture.

In this vein, these proposed funding requests, if authorized and appropriated, would provide high returns on these pragmatic investments to North Dakota's agriculture-based economy. Moreover, all these proposed funding requests are one-time funding only. Accordingly, none of these funding requests would increase the size of the Department of Agriculture in any way or increase the size of its current FTE base.

BIOSCIENCE GRANTS

Department request amount: \$25,000,000

Governor significantly reduced request amount: \$10,000,000

This funding request and proposed bioscience grant program, upon the grants consequently being awarded, will facilitate the continued growth and development of the critical bioscience industry within our state. Funding for the bioscience industry will:

- Support biotechnology innovation and commercialization in crop genetics, biofuels, biomaterials, biosensors and biotechnology in relation to food, nutrition, animals, humans, equipment, medical and health products and service, medical diagnostics, medical therapeutics, and farm-based pharmaceuticals;
- Promote the creation of bioscience jobs in the state to be filled by graduates from institutions under the control of the state board of higher education;
- Encourage the development of new bioscience technologies and bioscience startup companies in our state;
- Leverage the agriculture industry in the state to support the development of bioscience technologies impacting livestock operations and crop production;
- Promote bioscience research and development at institutions under the control of the state board of higher education; and,
- Encourage coordination and collaboration among other entities and programs in the state to promote bioscience innovation goals.

INFORMATION TECHNOLOGY

Department request amount: \$550,000

Governor same request amount: \$550,000

This funding request for information technology upgrades, upon this request consequently being statutorily authorized and appropriated, will:

- Further improve customer service experiences, replace outdated databases, and replace paper processes where applicable.

- These database enhancements will allow for e-commerce through our e-commerce portal.
- More importantly, these updates will make it possible to increase speed of analytic reporting and increase real-time tracking of program data.
- The updates will also address databases for:
 - o the North Dakota Mediation Service;
 - o Meat Inspection;
 - o Dairy Inspection;
 - o Pesticide, Feed, and Fertilizer Registrations;
 - o Industrial Hemp;
 - o Apiary; and
 - o Nursery programs.

DIGITAL RECORD KEEPING, REPORTING, AND TRAINING GRANTS AND DATA CONVERSION

Department request amount: \$550,000

Governor same request amount: \$550,000

This funding request for digital record keeping, reporting, and training, as well as for data conversion upgrades, upon this request consequently being statutorily authorized and appropriated, will:

- Greatly improve data transfer from veterinary clinics and auction markets providing data to the Animal Health Division.
- Funding will provide critical infrastructure grants for veterinarians and auction markets to assist in making the steps necessary to improve the efficiency of data collection and submission to the state office.
- Additionally, this effort will reduce paper storage costs, reduce labor required to convert paper materials to digital, and reduce the office labor of processing incoming data.

MEAT PROCESSOR GRANTS

Department request amount: \$13,000,000

Governor significantly reduced request amount (livestock finishing & processing grants): \$6,500,000

This funding request and proposed meat processor grant program, upon the grants consequently being awarded, will continue to provide financial support to the state's growing meat processing industry to ensure North Dakota citizens have adequate access to meat protein. This grant funding will provide a cost-share program to meat processing plants across the state to increase processing capacity, specifically to purchase new or used equipment such as coolers/freezers, dehydrators, hoist hangers, mixers/grinders, saws/blades, scalding tanks, smokers, stuffers, and vacuum sealers.

DAIRY IMPROVEMENT GRANTS

Department request amount: \$1,500,000

Governor non-request amount: \$0.00 – Not included or referenced in proposed budget

This funding request and proposed dairy improvement grant program, upon the grants consequently being awarded, will solidly support North Dakota's important dairy industry. Grant funding will be used to provide cost-share assistance to permitted North Dakota dairy operations to invest in necessary updates and improvements to help comply with the Pasteurized Milk Ordinance. These various improvements include:

- Water wells, rural water system connections, construction materials for milk houses/parlors, milking equipment, repairing pitted or cracked floors, painting walls and/or ceilings, sealing raw wood, repairing wall materials, repairing/replacing/sealing exterior doors, updating wash equipment, installing hand-washing sinks, repairing/sealing hose ports, installing proper backflow prevention on water lines and pressure washers, repairing cross water connections, repairing improper slope of cleaning equipment, repairing or replacing rough or pitted milk handling equipment, repairing improperly installed valves, and installing proper two compartment sinks.

This dairy improvement grant program will be eligible for Grade A operations that are permitted by the Department or manufacturing grade dairy operations that are permitted by the Department and that are transitioning to Grade A.

I will be providing further testimony tomorrow on a Department funding request for an intermodal facility grant. This intermodal facility grant program has already been authorized by the 67th Legislative Assembly of North Dakota through SB 2245, in the amount of \$2 million dollars. If this legislative authorization is subsequently appropriated in the already statutorily authorized amount of two million dollars, this grant will further increase North Dakota's rail line connectivity, robustly expanding the rail capacity of an existing intermodal facility in the state connected to and served by a Class I railroad.

Again, I greatly appreciate this opportunity to discuss with you these Department funding requests, and I am pleased to take any questions.